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May 5, 2008

San Diego Regional Water Quality Control Board  
Attn: Michael P. McCann, Supervising Engineer  
9174 Sky Park Court, Suite 100  
San Diego, CA 92123

File No. 030815-0011

Re: Shipyard Sediment Site 2005 Tentative Cleanup and Abatement  
Order No. R9-2005-0126: Response to Notice of Settlement Conference

Dear Mr. McCann:

On behalf of General Dynamics NASSCO, we are in receipt of the notice from the Advisory Team in the above-captioned matter, issued on April 28, 2008, notifying the designated parties of a settlement conference to be held on May 16, 2008, to address the establishment of cleanup levels for the shipyard sediment site. NASSCO will attend the settlement conference and participate in good faith. In addition, NASSCO will agree to waive the *ex parte* rules for Vice Chair David King, the Presiding Officer, for the purposes of communications during this settlement conference. However, NASSCO does not agree to waive *ex parte* rules with respect to the Advisory Team members.

At the pre-hearing conference on April 25, 2008, NASSCO understood the upcoming settlement conference to be an initial attempt at exploring the possibility of an expedited resolution of the shipyard sediment matter. Accordingly, NASSCO anticipates that candid and substantive discussions regarding the designated parties' positions will be required to facilitate preliminary settlement discussions. Those discussions will be more open and productive if only the Presiding Officer is involved. Moreover, mediations like this settlement conference generally are more successful with smaller, focused groups. For these reasons, NASSCO does not agree to waive *ex parte* rules with respect to the Advisory Team.

LATHAM & WATKINS<sup>LLP</sup>

Thank you for the opportunity to submit these comments. NASSCO looks forward to participation in the settlement conference on May 16, 2008.

Sincerely,

A handwritten signature in black ink, appearing to read 'KER', with a large, stylized loop at the end.

Kelly E. Richardson  
of LATHAM & WATKINS LLP

cc: Advisory Team, c/o Michael P. McCann (12 copies)  
Vice-Chair and Presiding Officer, David King, Regional Water Quality Control Board  
Christopher Barnes, Esq., General Dynamics NASSCO  
See Attached E-Mail Service List

**NASSCO**  
**San Diego Bay Sediment Matter**

**Electronic Index Entry**  
**May 5, 2008**

Date of Document	Type of Document	Title/Description of Document	Submitted By	Submitted To		Total Number of Pages	Titles of Attachments
05/05/08	Letter	Objections to Settlement Conference Process	NASSCO	Advisory Team (c/o Michael P. McCann)  Barker, David  Barnes, Christopher  Cloward, Sharon  Dragna, James  FitzGerald, Leslie  George, Catherine  Gonzalez, Marco  Hunter, Laura  King, David  Klimas, Denise  Kolb, Ruth  Ledger, Brian	Melbourn, Frank  McFadden, Kris  McNevin, Christopher  Mulliken, David  Nichols, Sandi  Ortlieb, Fritz  Reznik, Bruce  Robertus, John  Schmidt, Peter  Schwartz, Lloyd  Silverstein, David  Solmer, Gabriel  Spiess, Erik  Tracy, Jill  Wyels, Philip	10	<ul style="list-style-type: none"> <li>• Electronic Index Entry</li> <li>• Certification</li> <li>• Service List</li> </ul>

### Tentative Cleanup & Abatement Order Comment Information

Document Name	Tentative CAO No. R9-2005-0126
Document Date	05/05/08
Finding or Directive Number	N/A
Page, Paragraph, and Sentence Number	N/A
Concise summary of Issue	Objections to Settlement Conference Process

**NASSCO**  
**San Diego Bay Sediment Matter**

**Certification**  
**May 5, 2008**

I, Kelly E. Richardson, certify that the May 5, 2008 electronic submittal is a true and accurate copy of the submitted signed original.

Sincerely,

A handwritten signature in black ink, appearing to read 'KER', with a large, stylized loop at the end.

Kelly E. Richardson  
of LATHAM & WATKINS LLP

**NASSCO**  
**San Diego Bay Sediment Matter**  
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